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Pakistan: Prospects for the Junejo Government

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An Intelligence Assessment

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NESA 86-10041
November 1986

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An Intelligence Assessment

This paper was prepared by Office of Near Eastern and South Asian Analysis, with a contribution by Office of Leadership Analysis. Comments and queries are welcome and may be directed to the Chief, South Asia Division, NESA,

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Pakistan: Prospects for the Junejo Government

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Key Judgments

Information available as of 14 October 1986 was used in this report.

The government of Prime Minister Mohammed Khan Junejo has a good chance of staving off the challenge from the opposition, dominated by Benazir Bhutto's Pakistan People's Party. Domestic political turmoil, however, will reinforce Junejo's preference for keeping visible distance from the United States. His preoccupation with the domestic challenge will hinder Washington's efforts to persuade Islamabad to expand overt cooperation in support of the Afghan resistance, do more to assist US forces in the area, and take a tougher stance on narcotics.

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Junejo and President Zia both have a stake in seeing the new civilian political system succeed. Although Zia almost certainly retains ultimate power, Junejo has taken over the day-to-day business of governing.

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Junejo and Zia have substantial assets that give them an edge in dealing with the opposition. Control of the legislature and the bureaucracy allows them to dispense patronage to induce individuals and interest groups to support the Pakistan Muslim League, the government's fledgling political party. The government's numerous negative levers—including threats to collect old debts, investigate local wrongdoings, or deny access to vital government services—can be used to keep local landlords and other traditional power brokers in line. Junejo has already demonstrated that he is willing to use such constitutional tools as preventive detention to nip opposition activities in the bud. Finally, important segments of the Pakistani public have prospered since Zia took power nine years ago, and they appear to have misgivings about a return to the Bhutto era.

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Benazir Bhutto is a formidable and determined opponent, however, and her efforts to wrest power will test the government's ingenuity and cause substantial unrest. She most likely will continue to seek to demonstrate the strength of her support by organizing mass meetings without giving the government legal excuses to act against her. Bhutto will also try to rebuild her party apparatus in the wake of the failed protest campaign in mid-August, particularly by allowing moderates a greater voice in party strategy.

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Punjab Province holds the key to Pakistan's political future. Widespread political violence there would result in Junejo's ouster, either through a parliamentary vote of no confidence stimulated by Zia or by pressure from the Army for both Zia and Junejo to step down. Senior Army officers would quickly reimpose martial law if they calculated that the politicians

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could not restore calm. The Army would allow Benazir to take power only if it calculated that its troops would not obey orders to use force to quell unrest among fellow Punjabis. 25X1

The Pakistani public's willingness to support Junejo and his party will be determined by how well he copes with several real or potential problems. A serious economic downturn, perhaps induced by a drought or by a dramatic reduction in remittances caused by an unexpected mass return of Pakistani workers from the Gulf, would be especially dangerous and would severely test the government's efforts to project an aura of economic well-being while avoiding long-postponed but necessary reforms. Junejo must also show that he can deal with increasing banditry in some parts of the countryside, sectarian violence, and sporadic but serious military and political pressures from the Soviet Union for an early settlement of the Afghan problem. 25X1

Zia could replace Junejo without resorting to a general election should the Prime Minister falter or open friction develop between the two. Zia, however, would probably resist such a move because it would damage the credibility of the civilian political system and give force to the opposition's demand for an election. 25X1

The Army's role as the ultimate power broker would set the limits of policy options for any successor government, especially on national security affairs. The need for access to US military and economic support would limit foreign policy initiatives, but the new government would probably seek more forthrightly a settlement in Afghanistan, perhaps through direct talks with Kabul. Any Pakistani government would be unlikely to respond to US pressures to halt Islamabad's strategically important nuclear weapons program. 25X1

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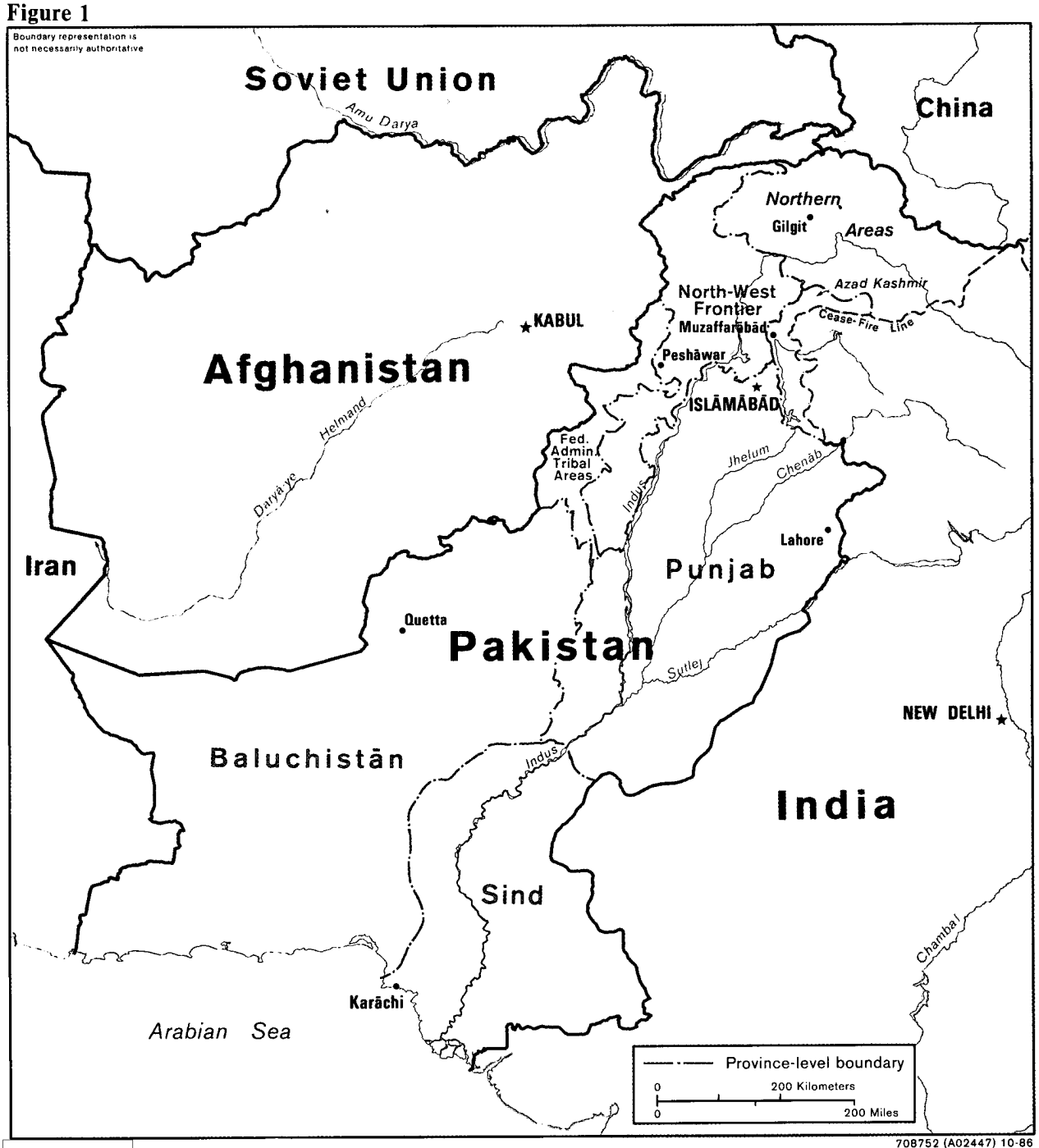
Figure 1



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Pakistan: Prospects for the Junejo Government

President Zia's lifting of martial law on 30 December 1985 was the final step in a long process that demonstrated his control of political change in Pakistan:

- In December 1984, Zia held a special referendum designed to grant him both a five-year term as president and an endorsement of his Islamization program. He proclaimed the results of the referendum a popular mandate, even though knowledgeable observers estimated voter turnout at closer to 30 percent than the official estimate of more than 60 percent.

- Nonparty elections in February 1985 for the National Assembly and provincial legislatures—the first since the coup of 1977 in which Zia ousted Prime Minister Zulfikar Ali Bhutto—fulfilled Zia's goal of obtaining a genuine popular endorsement of his program for a transition to civilian rule. According to US diplomats and the Pakistani press, official claims of a voter turnout higher than 50 percent are accurate.

- Last fall Zia put the last building blocks in place by pushing through legislation that validates his acts as Chief Martial Law Administrator and protects him from prosecution for these acts as well as provides for a strong presidency under civilian rule.[1]

- Zia has chosen to retain his military commission as Army Chief of Staff—traditionally the most powerful position in Pakistani politics—for an indefinite period.

The transition to civilian rule went smoothly at first. Restrictions on the press were lifted, martial law courts disbanded—their cases turned over to the civilian judiciary—and most political prisoners released. Many political observers were surprised that martial law was lifted without an immediate declaration of a state of emergency.

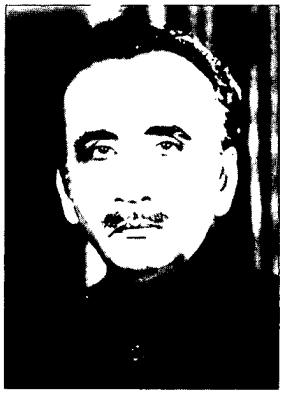

Figure 2. Prime Minister Mohammed Khan Junejo

Since the return from exile in early April 1986 of Benazir Bhutto, chairman of the Pakistan People's Party (PPP) and the Zia regime's principal opponent, however, the Junejo government has been under pressure from her and her followers to call a party-based election. Junejo and Zia have rejected this demand, asserting that the current government has a popular mandate and will serve until the regular general election scheduled for 1990. Junejo adopted a policy of toleration of peaceful rallies by Bhutto and other opposition leaders. In the face of threats of violence on 14 August to mark Independence Day, however, provincial authorities—backed by Junejo—banned public rallies. When opposition organizers defied the ban, security officials in Sind and Punjab Provinces rounded up thousands of opposition politicians including Bhutto, according to press and diplomatic reporting. The sweep triggered violent demonstrations that resulted in about 30 deaths over a two-week period, mainly in Karachi and rural Sind.

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Junejo's Key Advisers

On 28 January 1986, Prime Minister Junejo appointed a Cabinet composed primarily of political cronies who come from conservative rural elite backgrounds and are members of his Pakistan Muslim League, according to US Embassy reporting. [redacted] *Junejo's inner circle includes:* 25X1

Pir Pagaro
Former President, Pakistan Muslim League

Not a Cabinet member, but Embassy reporting suggests part of Pagaro's considerable influence stems from his role as spiritual leader (pir) of the Hurs (a sect centered in northern Sind to which Junejo belongs) . . . promoted Junejo's candidacy but now has doubts about his political aptitude . . . retains strong personal following and has ambition to resume party leadership, according to diplomatic reporting . . . holds Senate seat, has two sons in Sind provincial assembly.

Iqbal AHMAD KHAN
Minister of Religious Affairs and Minorities

Member, Defense Cabinet Council . . . a lawyer who is highly respected by colleagues for his integrity, according to Embassy reporting . . . from upper-middle-class Lahore family . . . in September moved from previous Justice and Parliamentary Affairs post, in part to permit more attention to party duties, according to Embassy reporting.

Chaudry Shuja't HUSSAIN
Minister of Information and Broadcasting

Prominent businessman from wealthy industrialist family in Lahore, who manages several of family's extensive flour, textile, and soft drink holdings . . . Muslim League politician committed to improving rural welfare, according to Embassy reporting . . . belongs to minority Jat (Sikh) caste and, according to Embassy, maintains extensive ties to international Sikh community.

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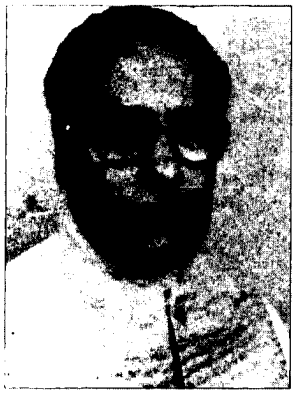
Malik Noor Hayat NOON
Minister of Communications

Sits on Defense Cabinet Council . . . from influential Rajput industrialist family in Sargodha District . . . holdings include Noon Sugar Mills . . . has supported Muslim League since his expulsion from Pakistan People's Party in February 1985 for participating in national election . . . well disposed toward Washington, according to Embassy reporting.

Zain NOORANI
Minister of State for Foreign Affairs

Businessman from prominent Karachi Shia family . . . savvy politician first and diplomat second, say US officials . . . political star likely to continue rising, according to Embassy . . . supports phased-in aid to Afghan resistance.



Mian Mohammed Yasin Khan WATTOO
Minister of Finance

Sits on Defense Cabinet Council . . . lawyer from middle-class landed family . . . Muslim League activist . . . neophyte in economic matters and widely regarded in Pakistani business community as one of weakest Cabinet members, according to Embassy reporting . . . not an initiator or doer, but more a listener and apologist for "official" line, say US diplomats . . . well disposed toward United States.

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The Prime Minister: Carving Out a Role

Although Zia remains the ultimate power, Prime Minister Junejo—with Zia's acquiescence—is emerging as the most visible government personality. The constitutional amendments passed in the fall of 1985 provide for only a limited role for the prime minister, but Junejo appears to be in effective day-to-day control of the government. Reporting from the US Embassy in Islamabad indicates that Junejo directs the government's social and economic policies. He is also gradually assuming a prominent role in foreign affairs. In discussions with US diplomats, Zia has left no doubt that questions on specific foreign policy issues should be referred to the Prime Minister for decision. Embassy reporting indicates that in July Junejo even exerted his authority over sensitive foreign affairs issues by pushing through a decision to reopen a southern rail link to India, almost certainly overruling security officials who feared the link could serve as an invasion route.

Junejo chairs the Defense Cabinet Council (DCC), the top policymaking body that decides all defense and internal security issues, presumably including policy toward Afghanistan. the DCC consists of the three service chiefs, the Ministers of Interior and Foreign Affairs, the Chairman of the Joint Chiefs of Staff, and the director of Inter-Services Intelligence. Zia sits on the DCC in his capacity as Army Chief, not as President.

We believe both Zia and Junejo have refrained from any appearance of friction that might undermine the credibility of the civilian system. Zia has publicly and forcefully denied rumors of a rift with Junejo over sharing power.

Building a Power Base

A New Cabinet

We believe that Junejo places a priority on creating his own power base independent of Zia's patronage. He began by quickly forming a new Cabinet after the lifting of martial law, retaining only two members of Zia's Cabinet—Foreign Minister Yaqub Khan and Mahbubul Haq, whom Junejo demoted from Finance Minister to the less prestigious post of Planning Minister. Junejo's Cabinet consists primarily of political cronies—not technocrats—drawn from the rural elite. Junejo appears to have chosen these officials because they represent important regions and minorities, such as Shias. 25X1

A Renewed Party

Junejo has sought to revitalize the Pakistan Muslim League (PML), the party credited with the creation of Pakistan in 1947, as his political base. 25X1
Junejo has pursued 25X1
this goal against the wishes of Zia—who opposes 25X1
political parties because they foster divisions among 25X1
Muslims and wants the National Assembly to continue functioning on a nonparty basis. Junejo persuaded the overwhelming majority of parliamentary delegates to join the PML shortly after its rebirth in January 25X1
1986, guaranteeing him a majority in the National 25X1
Assembly until the 1990 election. Delegates lose their seats if they change party affiliation. Junejo is the party's elected head. 25X1
Pir Pagaro, the Muslim League's former 25X1
leader and Junejo's spiritual mentor, retains consider- 25X1
able influence. 25X1

Junejo is trying to overcome the PML's image problem—since at least the early 1950s it has been discredited by factionalism—by updating its platform. The party's new manifesto, announced in July, 25X1
includes domestic planks that are, we believe, intended to undercut the appeal of the socialism of the 25X1
Pakistan People's Party. 25X1

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The Pakistan Muslim League: Past and Future

The rebirth of the Pakistan Muslim League (PML) in January 1986 signals the latest effort to build a cohesive government party out of the original Muslim League that spearheaded the creation of Pakistan. The Muslim League was founded in India in 1906 by Western-oriented professionals who favored a Muslim party as a counterweight to the Hindu-dominated Congress Party. During the 1930s the tacit cooperation between the two parties to end British imperialism broke down because the Muslims resented the perceived Hindu domination of the independence movement.

Mohammed Ali Jinnah, a League member since 1913, became the Muslim League's head in 1934 and advocated a separate state for India's Muslim minority. When Pakistan was created in 1947, the PML became the ruling party, and Jinnah became head of state.

The Muslim League remained the ruling party through the mid-1950s, but scholarly studies indicate that it gradually lost public support because its main base—urban professionals and intellectuals—was too narrow. It could not win over Islamic fundamentalists—who considered the League too secular—or promoters of provincial autonomy who believed the League was controlled by the majority Punjabi ethnic group. The League lost heavily in the 1954 provincial elections and was forced into coalition with other parties. The League was formally dissolved—along with all other political parties—after Gen. Ayub Khan's coup in 1958.

Ayub Khan resurrected the League in 1962 and made it the official government party. Party dissidents split off, forming a faction called the Councillor Muslim League. Ayub Khan dubbed his party the Conventionist Muslim League and continued to head the ruling party until he was replaced by another martial law regime in 1969. During Zulfikar Ali Bhutto's government (1971-77) and President Zia's martial law regime (1977-85), the Muslim League fell further into disarray, splitting into three distinct factions.

After martial law was lifted, Prime Minister Junejo reconstituted the Muslim League with himself as its head. The nucleus of the new formation was the Pir Pagaro faction of the PML, which had supported the martial law regime. A majority of National Assembly members (170 of 237) and senators (50 of 87) joined the new PML. 25X1

Junejo aims to transform the PML into a populist, grassroots party to rival the image of Benazir Bhutto's PPP as the party of the have-nots. The PML's domestic priorities, outlined in its manifesto of July 1986, include: 25X1

- *Making Pakistan a modern Islamic state.*
- *Eradicating corruption.*
- *Promoting the parliamentary system.*
- *Decentralizing government.*
- *Bringing electricity to 90 percent of the rural areas by 1990.* 25X1
- *Building a nationwide network of farm-to-market roads.*
- *Solving the urban housing problem.*
- *Generating jobs.*
- *Improving the judicial system.*
- *Ensuring protection and freedom for minorities.*
- *Promoting women's rights.* 25X1

Despite the advantage the PML enjoys as the ruling party, we believe it will experience difficulties in expanding its popular support as it prepares for the September 1987 local elections. In our view, it will have difficulty fulfilling many of its welfare promises because of budget problems. Its inability to surmount continuing social problems such as illiteracy, corruption, and crime could also hurt the PML's credibility. 25X1 25X1

The PML will have to work hard to increase its popularity outside Punjab in order to change its traditional image as the vehicle for Punjabi domination of Pakistan. US diplomatic reporting indicates that only in Punjab—where 60 percent of Pakistanis live—has the PML been able to establish a firm organization.

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Junejo has also sought to overcome organizational weaknesses in the PML. Early on, [redacted] the party's senior leaders—many of them Cabinet ministers—decided to open offices in most major cities, establish a standing committee to examine national problems, and organize an industrial commission to woo the labor constituency. Senior party officials recently told US diplomats that current efforts focus on developing a grassroots organization and claimed that a recent registration drive netted more than 5 million new members for the PML. [redacted] 25X1 25X1 25X1

The Challenge: Benazir Bhutto and the People's Party

In our view, the Junejo government's main challenge is from Pakistan People's Party Chairman Benazir Bhutto. She clearly is widely popular, with her most ardent supporters predominantly under 35, according to Embassy reporting. [redacted]

Upon her return to Pakistan in early April, Bhutto set out to demonstrate her popularity, thereby eroding public confidence in the government, in order to force a party-based election in the near future. She told US diplomats that her nationwide speaking tour was the first phase of her effort to force an election. According to Embassy reporting, Benazir told a US journalist that she planned to confront the government by having her followers block roads and close factories in Punjab. She believes the government would call in the Army, but the Army would refuse to fire on Punjabis and would instead remove Zia and hold new elections. [redacted]

Bhutto's strategy so far has not brought her closer to power. Her decision to defy the government ban and to organize demonstrations in Punjab in August allowed Junejo to demonstrate his resolve by detaining her, using provisions in the law. Her party's failure to turn out impressive crowds—particularly in Punjab—to protest her arrest indicates she has yet to expand her following beyond the lower urban and rural classes in Sind that were the base of support for her father, Zulfikar Ali Bhutto. Moreover, we believe the political violence in southern Sind Province has turned

Figure 3. Benazir Bhutto on the campaign trail [redacted] 25X1

against Bhutto the large share of the Pakistani electorate that was not enthusiastic about the government but was suspicious of the PPP, according to Pakistani opinion polls. [redacted] 25X1 25X1

The Other Opposition: Splitting Over Strategy

Bhutto's return has further strained the five-year-old Movement for the Restoration of Democracy (MRD), the loose coalition of opposition parties dominated by the People's Party, which has been faltering since the failure of its effort in the fall of 1983 to oust Zia through a civil disobedience campaign. Public statements by the leaders of several opposition parties indicate that many of the PPP's erstwhile allies fear that Bhutto is eclipsing them, and they are angry that she has not acknowledged their sacrifices during Zia's martial law administration. Some have publicly questioned Bhutto's reluctance to criticize US-Pakistani ties. US diplomatic reporting indicates that other opposition leaders became even more concerned by Bhutto's assertion in May that the PPP backs the MRD in demanding an election but will not join in a coalition when an election is held. US diplomatic reporting indicates that most of the smaller parties 25X1

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Pakistan: Attitudes Toward Benazir Bhutto and an Election

Army

[redacted] *senior commanders distrust Benazir Bhutto's intentions toward Soviet Union . . . no apparent support for an election among senior officers . . . younger officers and enlisted men probably more attracted to People's Party, but military coup from below highly unlikely.*

25X1

National Assembly

PML Majority

Many delegates may have joined PML reluctantly, but majority do not want to go through expense of another election any time soon . . . no public defectors to Bhutto's camp.

Independent Parliamentary Group

Formal group of about 15 delegates condemns government's recent crackdown . . . calls for a national dialogue between government and all parties, but stops short of endorsing call for an election, according to Embassy reporting.

Bureaucracy

Permitted a powerful voice in policymaking under Zia, heavily infiltrated by retired military personnel . . . many senior bureaucrats probably have bitter memories of Zulfikar Ali Bhutto's regime . . . despite Benazir Bhutto's claims, no apparent groundswell of support for her campaign.

Religious Parties

Mainstream Sunni parties generally suspicious of Benazir because she is a woman, a secularist, and Zulfikar's daughter . . . influential Jamaat-i-Islami, whose shock troops led street fighting that preceded 1977 coup, asserts that current government has the right to serve until 1990 . . . Jamiat-ul-Ulema-i-Pakistan, however, is frustrated with slow pace of Islamization and might join a more moderate coalition of opposition forces . . . Shia organizations welcome Benazir Bhutto, but apparently have not played a role in recent demonstrations.

Rural Elite

Landlords as a group probably split . . . in southern Sind, apparently predominantly and solidly pro-Bhutto, according to diplomatic reporting, but government party making inroads among Punjabi landlords . . . many landlords probably attracted to more moderate opposition led by Jatoi.

Industrialists

Diplomatic reporting suggests some disappointment that current government has not been more effective in promoting expansion of private sector, but probably not enough to endorse an election . . . prospect of nationalization under Benazir a concern, although she has ruled this out . . . some industrial leaders probably would back a moderate opposition approach and, according to diplomatic reporting, favor new National People's Party.

Labor

Organized labor did not challenge martial law regime, and recent US diplomatic soundings of labor leaders suggest little backing for Bhutto's confrontational approach, primarily because PPP could not provide adequate funds for strike of any duration . . . Bhutto's labor policies have aroused little interest . . . Benazir's failure to support right to strike and collective bargaining probably reminds labor of oppressive PPP industrial policies of 1970s.

Urban and Rural Poor

Core of Zulfikar Ali Bhutto's electoral support, apparently still committed to Bhuttoism . . . supplied majority of participants in recent clashes with police.

[redacted]

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Major Players in Government-Opposition Confrontation

Party	Leaders	Comment
Progovernment		
Pakistan Muslim League (PML)	Prime Minister Mohammed Khan Junejo	Conservative, secular . . . majority party in parliament.
The opposition		
Movement for the Restoration of Democracy (MRD)	Khawaja Khairuddin, General Secretary	Loose umbrella organization of 10 parties . . . People's Party largest . . . demands Zia's resignation and new election.
Pakistan People's Party (PPP)	Benazir Bhutto	Largest opposition party . . . secular, left of center.
Pakistan National Party	Mir Ghaus Bakhsh Bizenjo	Dominant in Baluchistan . . . not full member of MRD, but often participates in MRD activities.
Pakistan Democratic Party	Nawabzada Nasrullah Khan	Advocates greater autonomy for Pushtun-speaking Pakistanis . . . little voter appeal, but plays brokering role within MRD.
Jamiat-ul-Ulema-i-Islam	Maulana Obaidullah Fazlur Rahman	Only religious party in MRD . . . weakened by factionalism . . . often at odds with PPP.
Awami National Party	Sardar Shaukat Ali, Rasul Bux Palijo, and Abdul Wali Khan	New leftist coalition formed in July from several small, mainly ethnic nationalist groups . . . supports direct talks between Pakistan and Afghanistan.
Tehrik-i-Istiqlal	Asghar Khan	Moderate . . . has often threatened to leave MRD . . . criticizes Bhutto for being autocratic and leftist parties for being anti-Pakistan.
Breakaway opposition		
National People's Party	Ghulam Mustafa Jatoi	Aims at becoming moderate alternative to PML and PPP . . . trying to garner significant support beyond its base of disaffected PPP moderates.

25X1

realize they have no future without Bhutto's national base and apparently are willing to join with the PPP in renewed protests. 25X1

In our view, the most serious opponent of the Bhutto-led coalition is Ghulam Mustafa Jatoi, de facto PPP chairman during Bhutto's self-exile and PPP president for Sind until Bhutto deposed him in April. At the end of August, Jatoi formed the National People's Party, a broad-based coalition of right and center parties forged around a nucleus of disaffected PPP moderates. 25X1
Jatoi believes he has the opportunity to create a third force that would be an alternative to the Muslim League and the PPP. Embassy reporting indicates that Jatoi has courted independent parliamentary delegates and consulted closely with other opposition politicians—an attempt, we believe, to contrast with Bhutto's autocratic style. He claims to have already gained the support of the Jamiat-ul-Ulema-i-Pakistan, a conservative religious party with strong support in Sind. In our view, Jatoi needs the partnership of Mustafa Khar—a former governor of Punjab under Prime Minister Zulfikar Ali Bhutto who recently returned to Pakistan and was arrested on earlier charges of plotting against Zia—to have a credible nationwide power base. 25X1

We believe only the minority Shia organizations are likely to welcome Benazir—as they did her father—in the hope that her secular orientation would counter 25X1

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Sunni-driven Islamization efforts. US diplomatic reporting indicates that the religious parties—particularly the Jamaat-i-Islami—would strongly reject PPP-inspired agitation against the government. The Islamic middle class united against Zulfikar Ali Bhutto and his policies in 1977. The key elements in this group—the bazaar merchants, small industrial and trading groups, and their allies in the Sunni clergy—have grown stronger under Zia's Islamic policies and have benefited from the relative prosperity of the martial law period. Even the Jamiat-ul-Ulema-i-Islami—the sole religious party in the MRD—has grown disenchanted with Benazir Bhutto, according to Embassy reporting.

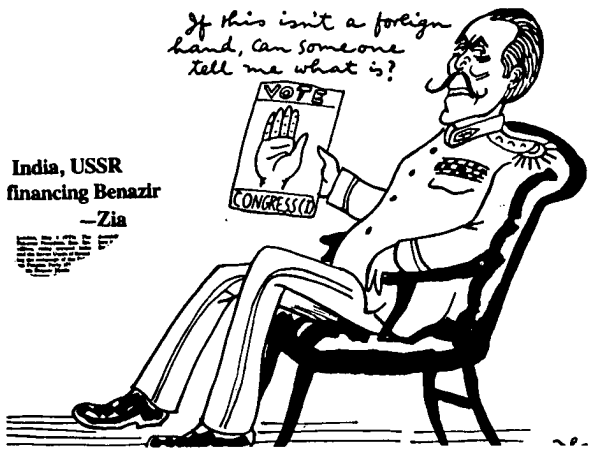

Figure 4. Zia has tried to discredit Bhutto by accusing her of receiving Indian backing.

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The Government's Strategy: Giving Bhutto Enough Rope

In our view, Junejo and Zia are seeking to maintain their support among the Pakistani public while using inducements and coercion to split and intimidate the opposition.

Forestalling Demonstrations

We believe the Junejo government set out to allow Bhutto and the People's Party free rein as long as their activities—which it could have challenged because the party has not registered—remained peaceful. Junejo was convinced that Bhutto would eventually "run out of steam" and that it would be counterproductive to make her a martyr by moving against her. Junejo believed PPP-induced violence would discredit Bhutto and disillusion the Pakistani public. Junejo, however, made good his promise to restrict political activity, if rallies threatened to turn violent, by detaining Bhutto and rounding up opposition activists for defying a ban on public meetings in Punjab and Sind during Independence Day observances in August.

The government has a substantial arsenal of constitutional measures besides its ability to detain potential troublemakers for 30 days before having to explain itself to the courts. The civil code, for example, allows district-level authorities to forbid public meetings that threaten the peace. In addition, local authorities can ban demonstrations that could snarl traffic—as Bhutto's motorcades generally do.

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Passing Restrictive Legislation

The government can relatively easily pass legislation to hamper opposition parties. We believe Junejo will follow through on hints that he will tighten legislation on political parties to make activity by unregistered groups explicitly illegal. he may take a further precaution against parliamentary defections to the PPP by introducing an amendment making the switching of party affiliation not only illegal—as it is now—but also unconstitutional.

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Pressing Bhutto's Bankrollers

The government almost certainly is working behind the scenes to intimidate large landowners and businessmen from financing PPP activities.

Many landowners are vulnerable—they need access to government agricultural services and, are long delinquent in substantial debts to the government. The Sindhi feudal landlords' traditional disregard for

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the law—many have gangs of thugs to intimidate their tenants—provides the government with opportunities to bring them to court for, at minimum, lengthy criminal proceedings.

Promoting Opposition Rivalry

We suspect that both Zia and Junejo are trying to co-opt senior opposition politicians to siphon off support from Bhutto.

Zia is particularly interested in senior PPP dissident Jatoi. A Jatoi supporter in parliament recently told US diplomats that he believed Zia had agreed to detain Jatoi's potential partner, Mustafa Khar, for only a token period if the pair would then actively campaign against Bhutto.

Pushing Prosperity

The government is emphasizing increased economic prosperity and avoiding tackling needed reforms. To beat Benazir at her own populist game, Prime Minister Junejo has announced a program of land reform, giving ownership to many urban squatters, and boosting the minimum wage. A $120 million "National Employment Fund" has been established to reduce the jobless rate by funding housing and highway construction, expanding polytechnic schools, and creating centers to advise entrepreneurs on establishing viable businesses. Missing from the government's rhetoric is the need to revamp the tax system—particularly applying taxes to income from agriculture—cut subsidies, sell inefficient government-owned companies, and reduce imports.

The Military: Watching From the Barracks

We believe the Army—the ultimate power in Pakistani politics—played a major role in Zia's decision to lift martial law and is willing to let the democratization process unfold.

the military remains generally skeptical about politicians. In our view, however, the military is satisfied that it has an adequate role in policy formation through its domination of the Defense Cabinet Council. Since the lifting of martial law, the Army has helped to contain violence three times—quelling ethnic riots and enforcing a curfew in Karachi in the spring, reinforcing police in rural Sind in August, and stopping sectarian violence in Lahore in September—but so far it appears to be allowing the government to control events.

The most likely source of concern among senior officers, who have served Zia faithfully, is Junejo's effort to build support by controlling assignments and promotions for military personnel.

Outlook

We believe that the Junejo government has a good chance of resisting opposition pressures for an early election. If Junejo falters in handling the unrest, however, or if open friction develops between Zia

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Warning Indicators for the Junejo Government

In our view, indications that the Junejo government is in serious trouble would include:

- *Continued cooperation between Benazir Bhutto and the Movement for the Restoration of Democracy in the campaign to force an election.*
- *Defections of Muslim League delegates in the National Assembly to the People's Party or National People's Party.*
- *A sharp economic deterioration or rise in unemployment, particularly among returning overseas workers, that creates a groundswell of support for Bhutto's socialist policies.*
- *Sharply increased Soviet-Afghan military pressure along the border that causes loss of popular support for Islamabad's policy toward Afghanistan.*
- *Collapse of UN-brokered peace talks without an alternative negotiating framework for a peace settlement.*
- *Continuing political violence through the fall, even if confined to Sind, that feeds perceptions of Junejo's inability to maintain control.*
- *Loss of confidence in Junejo among senior military commanders.*
- *Spread of political violence to Punjab, forcing the government to turn to the Army for assistance or prompting the Army to step in to restore order.*

and Junejo, Zia may call for a parliamentary vote of no confidence. He could then appoint a new prime minister—perhaps Jatoi—without resorting to a general election.

In our judgment, the government will crack down again if the opposition demonstrations appear threatening. Nonetheless, the prompt release of opposition activists, the lifting of restrictions on political activity, and the quick return of the Army to its barracks in southern Sind indicate that Junejo wants to return to a policy that tolerates peaceful political competition. In our view, he wants to avoid giving credibility to opposition claims that he is afraid of an election.

Unless Zia and Junejo make serious errors of political judgment, we doubt that Bhutto can develop a power base in Punjab or reduce the regime's support in the National Assembly, the bureaucracy, and the Army. Any signs of weakness or uncertainty on Bhutto's part will only increase the chances that other opposition politicians will conspire against her and will provide opportunities for her younger advisers to urge violence, which would almost certainly be self-defeating.

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We believe the Army would intervene only if it appeared that unrest was about to get out of hand in Punjab. In that event, the senior commanders probably would press Zia to resign. We believe they would quickly reimpose martial law in response to such violence. senior Army officers fear Bhutto would seek to try them for martial law offenses. They would cooperate with the PPP in the construction of a new civilian government only if they calculate that their troops would not follow orders to quell opposition demonstrations.

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Efforts to build a power base notwithstanding, Junejo remains a man of parochial views who values loyalty above ability in his advisers. Embassy reporting suggests Junejo will not focus effectively on the range of problems facing the government. Zia could decide to replace Junejo rather than face the embarrassment of a government loss in the September 1987 local elections. We believe these elections will be viewed as an important measure of the government's legitimacy. Junejo might compromise on an early election—or be forced out by Zia—if the government's Pakistan Muslim League makes a poor showing in the local contests.

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Implications for the United States

We believe the interests of the current political leadership in Pakistan are likely to remain close to those of the United States on some key issues—Afghanistan, maintenance of nonhostile relations with India, stability in the Gulf, and, because of its own rapidly growing domestic addiction problem, curtailment of

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Junejo and Afghanistan

Publicly, Prime Minister Junejo supports the current policy of providing safehaven for Afghan refugees and resistance fighters, but we believe he sees Afghanistan as a potential political liability. [redacted] *Junejo fears that the refugees' presence may eventually lead to a resurgence of calls for an independent Pushtun homeland that would include most of the North-West Frontier Province and part of Baluchistan.* [redacted]

We believe Junejo is increasingly concerned about the continuing Soviet-inspired campaign to destabilize the border regions, especially through terrorist bombings, which caused more than 500 casualties in some 40 incidents during the first half of 1986. He almost certainly is worried that public opinion will turn against the approximately 3 million Afghan refugees, who, according to reporting from the US Consulate in Peshawar, are seen as both the source and target of the attacks. [redacted]

We believe Junejo's principal worry regarding Afghan policy is that the US role will politicize the issue and make it an easy target for the opposition. Embassy reporting suggests Junejo has not sought to change current policy, although he issued instructions that all support for the Afghan resistance be covert. Embassy reporting suggests Junejo agreed only reluctantly to such programs as the media project designed to publicize the Afghan resistance's cause and the provision of humanitarian assistance. [redacted]

narcotics production and trafficking. We believe Junejo has come to agree generally with President Zia—who set Pakistan's positions on these issues and shaped the current US-Pakistani relationship. [redacted]

Junejo's preoccupation with the challenge from the opposition, however, will reinforce his preference for keeping a greater distance from the United States. Washington's efforts to persuade Pakistan to expand overt cooperation in support of the Afghan resistance and take a tougher stand against narcotics production and trafficking are likely to make little headway.

Figure 5. *Junejo came to Washington last July looking for recognition as Pakistan's legitimate leader.* [redacted]

Continued unrest in Sind could trigger Pakistani charges of Indian meddling and further hinder the improvement in relations with New Delhi that Washington has sought to foster. [redacted]

We do not expect the civilian government to change its fundamental position on issues about which Washington and Islamabad strongly disagree. Islamabad is unlikely to make more than tactical concessions in response to US concerns about Pakistan's nuclear program, because most sophisticated Pakistanis believe such weapons are imperative to counter India.[2] The government is unlikely to push US-promoted economic reforms out of concern both that it will be seen as bowing to US pressure and that the public will react negatively to austerity measures. [redacted]

Although Bhutto has openly courted Washington to champion her cause, we believe she will quickly return to the PPP's past anti-US rhetoric if she believes that

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Washington has betrayed her. Reporting from US missions in Pakistan indicates that Bhutto's reluctance to criticize Washington has damaged her standing with the PPP's leftists. We also believe Bhutto might tap anti-US sentiment—which many Pakistani observers say is running high—to mobilize support for the PPP. Benazir recently has reiterated old PPP charges that Washington engineered her father's downfall and that neither superpower is a friend of Pakistan.

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Appendix A

Potential Pitfalls for the Junejo Government

Junejo must cope with a number of problems that offer the opposition ammunition to use against him.

The Economy. Longstanding structural problems and the shrinking overseas market for Pakistani workers point to foreign payments problems before the end of the decade.[3] A recent opinion poll indicates that most Pakistanis consider the economy to be the country's major problem, although even Zia's critics agree that most fared well under the martial law regime. As economic problems grow, the appeal of the PPP's promised welfare program is likely to increase.

Law and Order. Quite apart from political unrest, lawlessness has risen sharply everywhere except in Punjab Province, according to the Pakistani media and US diplomatic reporting. In the North-West Frontier Province and Baluchistan, the problem is caused by Kabul's sabotage campaign. In Sind, the US Consulate in Karachi reports that the chronic problem of banditry rose to "embarrassing" levels before Islamabad deployed paramilitary forces there in June 1986. In our view, public confidence in the government could weaken seriously if Islambad is seen to be unable to fill minimum security needs.

Provincial Pressures. Reporting from US missions in Pakistan suggests that regional grievances, particularly on resource allocation, may become more prominent under civilian rule. Separatist movements—especially among Sindhis who, according to diplomatic reporting, feel betrayed by the failure of opposition to Junejo to catch on in the other provinces—could become an important factor. If the newly formed Sind-Baluch-Pushtun Front succeeds in wooing support from the traditional opposition parties, it could generate pressure in the National Assembly and the provincial legislatures for greater autonomy.

Afghan Refugees. The government's policy of sheltering Afghan refugees and providing safehaven for Afghan insurgents would become a more serious national issue in the event of a serious economic downturn or sharply increased Soviet military pressure. Reporting from the US Consulate in Peshawar indicates that the Soviet-inspired sabotage campaign in the border areas could be a key factor in undermining public support for Islamabad's Afghan policy.

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Narcotics. The Junejo government says it intends to eradicate opium poppy cultivation and drug trafficking—activities it believes undermine law and order in the traditionally volatile North-West Frontier Province and Federally Administered Tribal Areas and contribute to a growing domestic drug abuse problem. But the use of paramilitary forces in March 1986 to eradicate a crop ready for harvest resulted in bloodshed and a public outcry. We believe local landowners and officials, who have benefited from the lucrative narcotics business, may withdraw their political support if Islamabad persists in its antidrug campaign.

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Islamization and Sectarian Tensions. Parliamentary consideration of religious legislation threatens to rekindle religious tension between Sunnis and the Shia minority that believes the imposition of Sunni jurisprudence would institutionalize the Shias' second-class status. US Embassy reporting indicates the government is sensitive to the dangers of Islamization—particularly its potential for undermining the authority and credibility of parliament if Islamic courts rule supreme—but at the same time it fears charges that it is not serious about promoting Islam.

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Relations With India. The normalization Zia and Gandhi tried to set in motion last December has increasingly fallen hostage to domestic developments in both countries. Tensions are again mounting over Indian allegations regarding Pakistan's nuclear program and support for Sikh extremists, while Pakistani officials suspect India of fomenting unrest in Sind.

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Appendix B

The Pakistan People's Party

The Pakistan People's Party (PPP) was founded in 1967 by Zulfikar Ali Bhutto, who appealed to nationalism and popular sentiment in a pledge of political and economic equality. According to academic analyses and diplomatic reporting, Bhutto built a loose coalition of peasants, rural tenants, urban migrants, industrial workers, professionals, wealthy landlords, and some industrialists. While in power (1971-77), however, Bhutto alienated key groups—the military, bureaucracy, urban middle class, bazaar merchants, religious conservatives, and labor unions—which exploited election fraud during the 1977 National Assembly election by uniting with centrists and Islamic parties to topple him. 25X1

Academic and diplomatic analyses indicate that, in power, the PPP satisfied best its poorest and least articulate constituents—peasants, tenant farmers, and urban laborers—who form the loyal core that most observers believe would support the PPP if an open election were held today. The party most successfully transcended economic class lines in Sind, where Bhutto persuaded his fellow Sindhis that he could protect their interests against the Punjabi majority. 25X1

Zulfikar Ali Bhutto regarded the PPP as his private vehicle for gaining and holding power. He neither encouraged strong party leaders nor built a grassroots political structure. Instead, he relied on charismatic appeal and ties to local leaders and landlords who were loyal to him, but not to each other or to the party as an institution. 25X1

since Zulfikar Ali Bhutto's death in 1979, these structural weaknesses have encouraged fragmentation of the party along personal and ideological lines. Diplomatic reporting indicates that the most serious divisions in the PPP concern Benazir Bhutto's leadership role and the party's tactics for unseating President Zia. According to Embassy reporting, those who support Bhutto as party chief tend to be young, leftwing activists who favor confrontational tactics. Those who disagree with Bhutto's stewardship tend to be older—many of them her father's colleagues—conservative, and from the rural elite. Moderates promote a less confrontational approach—including preparing the party for next year's local elections as an intermediate step toward the 1990 national election. 25X1 25X1

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Key PPP Leaders

Benazir BHUTTO
Chairman, PPP

Eldest daughter of late Prime Minister Zulfikar Ali Bhutto . . . 33 . . . educated at Radcliffe and Oxford . . . returned to Pakistan in April 1986 after nearly three years of self-imposed exile in London . . . untested in political arena, popular appeal derives almost exclusively from father's legacy . . . critics charge she has inherited father's arrogance as well as his charisma. [redacted] 25X1

Jehangir BADR
PPP President for Punjab Province

About 35 . . . member of PPP militant left wing and ardent supporter of Bhutto family, according to diplomatic reporting . . . began political career in 1968 with student protests against then President Mohammed Ayub Khan . . . later participated in demonstrations against imprisonment of Prime Minister Zulfikar Ali Bhutto and was arrested . . . appointment to current post in April 1985 caused widespread dissatisfaction among party moderates, who consider him naive, inexperienced, and unqualified, according to US diplomats . . . activist and effective "street organizer," but poor leader and bureaucrat, say US diplomats . . . claims to be well disposed toward United States, but US diplomats cannot confirm. [redacted] 25X1

Gen. (Ret.) TIKKA Khan
PPP Secretary General

Zia's predecessor as Army Chief of Staff . . . 71 . . . longtime Bhutto loyalist . . . highly critical of Zia's martial law policies, arrested and imprisoned during 1983-84 . . . received current post from Benazir in August 1984 . . . disliked in many PPP circles, particularly in Punjab Province, where he is widely considered an incompetent "yes-man," according to diplomatic reporting. [redacted] 25X1

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Key Dissidents

Mumtaz BHUTTO
Founder-leader of separatist
Sind-Baluch-Pushtun Front (SBPF)

Early fifties . . . first cousin of late Prime Minister Bhutto but has personal and political differences with Zulfikar's widow, Nusrat, and Benazir according to Embassy reporting . . . former Sind Province chief minister (mid-1970s) . . . prominent advocate of Sindhi separatism, favors confederation of the four administrative provinces . . . arrested, imprisoned several times by martial law authorities, most recently house arrest (August 1983–November 1984) . . . self-imposed exile in London . . . expelled from PPP in early 1986 for founding SBPF . . . persistent rumors of poor health. [redacted] 25X1

Ghulam Mustafa JATOI
Head and founder of National People's Party

Headed moderate-conservative wing of People's Party . . . 55 . . . number two in PPP before ouster as Sind party chief . . . has strong personal, political differences with Benazir Bhutto's young cronies, according to diplomatic reporting . . . removal alienated many conservative rural elite party members, particularly in Sind and Punjab, according to diplomatic reporting . . . rumors persist that he would be tapped should Zia decide to remove Junejo . . . well disposed toward Washington, according to Embassy reporting. [redacted]

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Ghulam Mustafa KHAR
Former PPP President for Punjab Province

About 50 . . . influential landlord who belongs to PPP moderate-conservative faction . . . close friend and protege of late Prime Minister Bhutto . . . self-imposed exile in London (1977-86), where he proselytized expatriate Pakistanis . . . opponent of Zia's martial law policies, convicted and sentenced in absentia, arrested upon return to Pakistan in August, faces 14-year prison term . . . critical of Benazir and young activist cronies, according to Embassy reporting . . . ousted by Benazir as Punjab party chief in April 1985 . . . generally teamed with Jatoi in political rumor mill. [redacted] 25X1

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